

INQUIRY INTO COAL SEAM GAS

Organisation: Widden Stud Pty Ltd

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Partially Confidential

Inquiry into Coal Seam Gas

Submission by Widden Stud

5 September 2011

Introduction

1. Widden Stud Pty Ltd (Widden Stud) is a landowner of 3000 hectares in the Widden Valley which is located in the western region of the Hunter Valley of New South Wales and approximately 1 hours drive west of Muswellbrook. (Marked on the map in red)
2. Widden Stud would like to make a submission to the General Purpose Standing Committee No. 5 who are enquiring into and to report on the environmental, economic and social impacts of Coal Seam Gas (CSG) activities including exploration and commercial extraction activities, allowable under the New South Wales Petroleum (Onshore) Act 1991.



3. Widden Stud has Petroleum Exploration License (PEL) No.468 covering our property.

Key Explanations and Background

1) The environmental and health impact of CSG exploration activities:

a) Ground water systems

The Widden Valley has an intensive ground water system that is 4 to 5 metres below the surface. Pastures are able to tap directly into the water table and we are able to produce fodder without rainfall or irrigation over the summer months.

Extensive research has been undertaken by Southern Cross University (Dr Annabelle Keene) and they have been able to determine the extent of this resource. (A full report is available if required) This water system provides water for our cottages – both domestic and surrounds, stock water and any irrigation.

Studies from the United States of America suggest that some contamination of water resources for human and agricultural consumption is inevitable and the concerns over this have been provided to Congress.

This is a major concern for us and our neighbours.

b) Fire risks

Widden Stud is located in the northern area of the Wollemi National Park and is surrounded by steep sandstone mountains and rugged gorges. In summer we are prone to thunderstorms and in particular, lightning strikes which inevitably strike the higher mountain peaks in the area. To our west is over 20 kilometres of this rugged landscape with no road access for fire fighters. We receive very little coastal rainfall and have an annual rainfall of only 24 inches.

The combination of the rugged mountains, lightning strikes, inaccessibility and dry conditions make it an explosive situation with the eucalypt forests. Along with a narrow roadway that is completely surrounded by trees, this puts us at a high risk for the residents living in the valley as access is very limited.

Combine these attributes with CSG Mining and it has the potential for a devastating event. Methane Gas is an odourless, colourless, asphyxiant gas that is extremely flammable. The process of drilling and extracting gas involves heavy machinery and people and there is also the possibility of fires starting on site.

We are amazed that CSG Mining is exempt from fire regulations.

c) Effects on the Wollemi National Park

Widden Stud has the Wollemi National Park as its neighbours on 90 per cent of its boundaries. In essence the National Park surrounds us with high sandstone cliffs and Widden Stud occupies the land on the valley floor. The Wollemi National Park is a part of the Greater Blue Mountain World Heritage Area and was accepted as World Heritage because of its magnificent scenery and the blue mist that covers the landscape produced by the eucalypt forests as they release fine droplets into the air. It's those forests, more than anything else, which make this area so special.

The Blue Mountains have been described as a natural laboratory for the evolution of eucalypts. In the mountains' diverse plant communities, you can trace the changing nature of the Australian environment – from geological shifts and climate variations, through to the impact of Aboriginal settlement and European colonisation.

More than 90 different eucalypt species are found in the Greater Blue Mountains – some 13 per cent of all eucalypt species in the world. They grow in a great variety of communities, from tall closed forests, through open forests and woodlands, to the stunted mallee shrublands on the plateaus. Among them are rare species like Baeuerlen's gum.

The World Heritage list covers a lot of Australia's biodiversity, particularly in rainforests and desert areas. However, the list has tended to leave out the environments that lie in between the wet and the dry. By including the eucalypt forests of the Wollemi National Park, the World Heritage list now holds a more complete picture of Australia's natural diversity.

Originally the park was to be dedicated to a depth of 200 metres but after the Premier of New South Wales Neville Wran visited the Colo Gorge he extended this dedication to the centre of the earth.

How could CSG mining be approved in close proximity to the park in the Widden Valley when this parcel of land protrudes into the park and is such a narrow area of land?

Wollemi Pine

In 1994 the Wollemi Pine was discovered in what is now the wilderness area of the park. The species can reach a height of 40 metres and a girth of three metres and has survived for 150 million years. The exact location of the pines is a closely kept secret because of the pristine and fragile nature of the wild habitat. It is known to be in close proximity to the southern end of Widden Stud in the National Park.

Why would you jeopardize this unique specimen by allowing CSG mining in close proximity?

d) Property Vegetation Plan with the Hunter Catchment Authority.

In 2007 Widden Stud entered into a Property Vegetation Plan under the Native Vegetation Act 2003 with the Hunter Central Rivers Catchment Authority. The plan provides protection to a large trail of land along the Widden Brook for a 30 year period. We have fenced 18 kilometres along the creek so that vegetation can be restored along with the creek bed and banks. This has been at a major cost and commitment by the landholder for the protection of the Widden Brook and its surrounds. The New South Wales Land Department have also invested in this program.

No one ever envisaged CSG mining could be operating within 200 metres of this special ecosystem as the Widden Valley is narrow and rarely exceeds more than 500 metres across the valley floor.

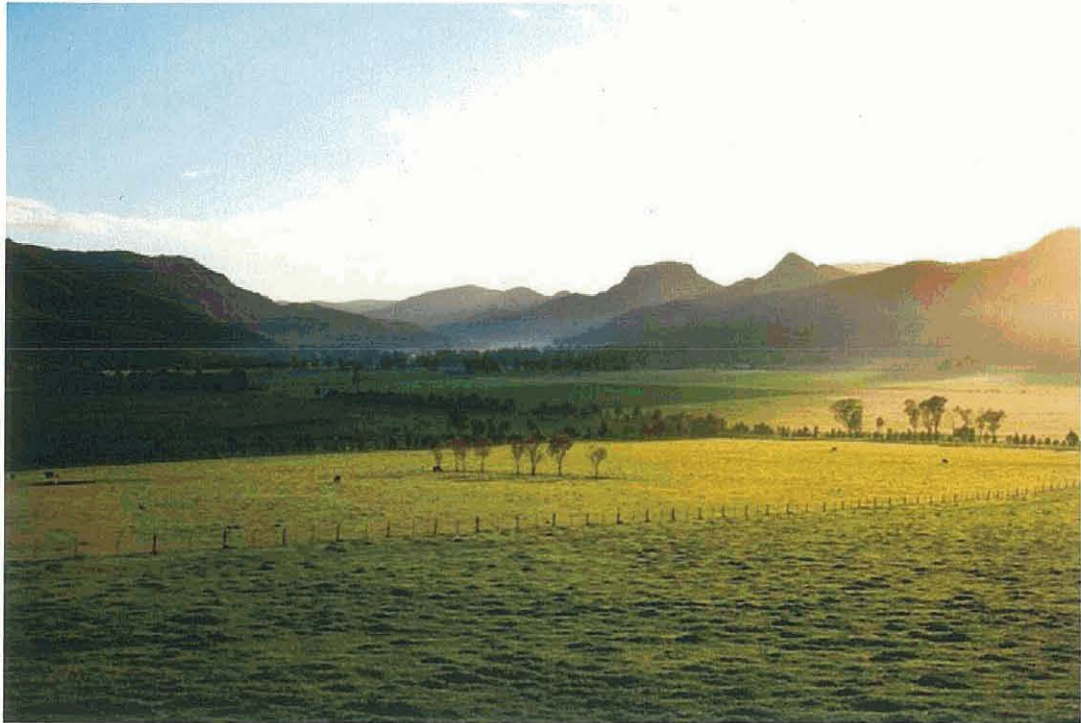
e) Visual impact on the land

We have all seen films from the Chinchilla region whereby CSG mining has been undertaken as well as mining in the Pilliga Forest in New South Wales. I have attached four photos of the landscape at Widden Stud and I believe a picture can speak a thousand words.

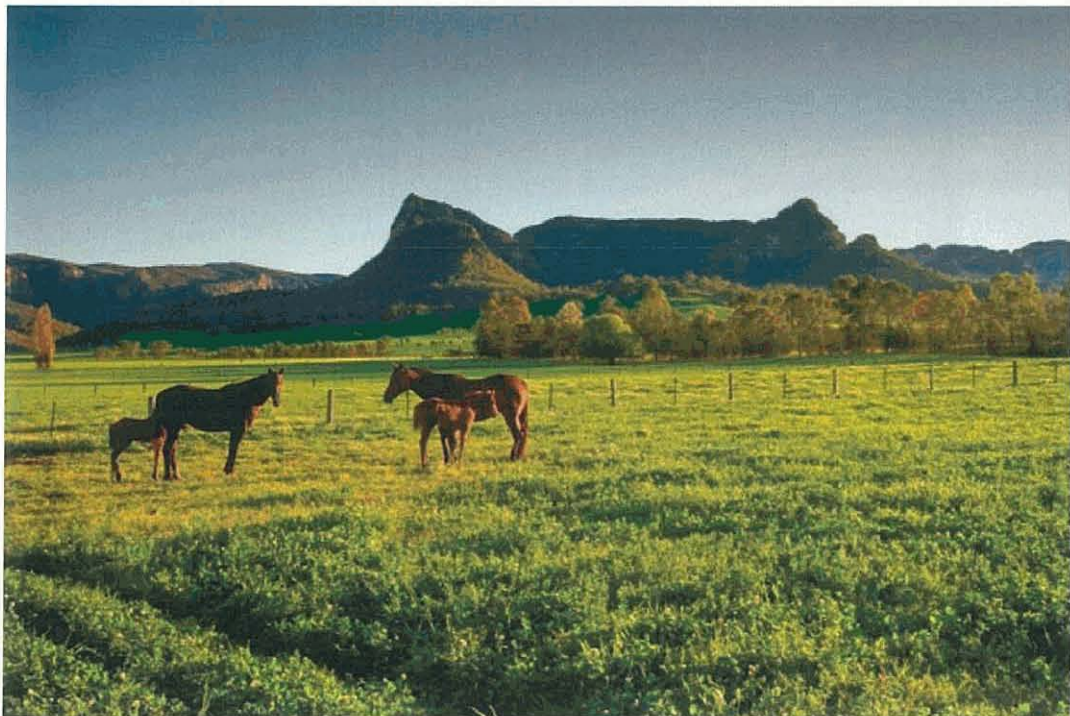


Can you imagine if we have five, ten or twenty pumping stations the size of car garages and gravel roadways to them dotted over the landscape in these three pictures?





CSG mining would have a major visual impact on our landscape!



2) The economic and social implications of CSG activities including those which effect:

a) Tradition and Heritage Value

Widden Stud has been owned by the Thompson family since 1867 after John Thompson first acquired land in the Widden Valley in 1855. Today, Widden Stud is now owned by Antony Thompson who is the seventh generation member of the family to own the property. Widden Stud is the oldest continually owned horse stud in the world and is internationally renowned as well as being a leader in the Australian Thoroughbred Industry. The Thompson family have been inducted into the Australian Thoroughbred Industry Hall of Fame and in fact was inducted in its inaugural year along with Phar Lap, George Moore, Bart Cummings and Colin Hayes.

The Thompsons started with Sheep, Cattle, Stock horses as well as Thoroughbreds in the 1860's. When the first volume of the Australian Stud Book was published in 1878 it listed three Thoroughbred mares under the Thompson Widden Stud. The famous brand of JT over a lazy 2 has been used for cattle and horses from 1867 with the brand being registered in 1872 and has been renewed for the past 140 years. Widden has its own cemetery for all past members of the Thompsons and also has a Church of England church located on the property.

The Thompson family tradition has proven that each generation of owners have been caretakers of this magnificent property for the future generation. This has proven to be a sustainable and environmentally friendly business for over 140 years and for seven generations and the future planning is such that it will be again entrusted to future generations.

The impact of CSG mining on the farm would destroy our tradition, heritage and image of our business

b) Loss of Landholders Rights and Property Values

We find it very difficult to understand the concept that the Thompson family have owned the land at Widden Stud for nearly 150 years and now the New South Wales Government allows a Gas Exploration company to come onto our land. They have permission to build roads, sheds, use water from the underground reserves and leave leaky gas wells and pollution yet the landholders do not have the authority to

refuse entry. **This is NOT a democratic process.** We are not in favour of coal mining in this region but at least the coal companies purchase the land for more than market value where as the CSG mining uses the land, makes a mess and leaves the farmer with an asset that not only has greatly depreciated through no fault of his own but potentially causing the loss of valuable agricultural land.

The small compensation the CSG companies propose to pay has no bearing on the harm, inconvenience to the business and change of lifestyle for the property owners. Land values in Chinchilla have fallen dramatically since CSG mining has commenced. Widden Stud has a valuer generals valuation of [redacted] and with all of our improvements it has a value of [redacted] for the 3000 hectares.

All five landholders in the Widden Valley have expressed their concerns of CSG and their desire to protect the Widden Valley from any CGS mining or exploration.

This is a significant asset and a large employer in our region and the industry we are in is clean, green and economically viable. Why jeopardize this?

c) Road access to the Widden Valley

The Bylong Valley Way runs from Sandy Hollow in the east to Rylestone in the west. This road has many narrow cuttings between steep mountains and the Goulburn River. We have a large mountain at Cox's Gap that limits traffic speed to 20 kilometres per hour. The road is not designed for heavy vehicles and there are load limits on the road.

The Widden Valley road commences at a T intersection from the Bylong Valley Way and runs south for 27 kilometres. This is a very narrow, one car lane road which has many dangerous corners and over 20 cattle grids as most of the roadway is unfenced and stock have access to the roadway. The road follows the Widden Brook and vehicles have to stop on the side of the road to allow other vehicles to pass and there are many blind corners which unfortunately our local council is unable to improve upon due to the Widden Brook and the large Sandstone mountains.

Additional traffic through CSG mining would make the road more dangerous and would cause significant damage as this was built for limited light traffic.

d) Muswellbrook Shire Council LEP and support?

Our land is Zone RU1 Primary Production. The objective of this zoning is as follows:

- To encourage sustainable primary industry production by maintaining and enhancing the natural resource base.
- To encourage diversity in primary industry enterprises and systems appropriate for the area.
- To minimise the fragmentation and alienation of resource lands.
- To minimise conflict between land uses within this zone and land uses within adjoining zones.
- To protect the agricultural potential of rural land not identified for alternative land use, and to minimise the cost to the community of providing, extending and maintaining public amenities and services.
- To maintain the rural landscape character of the land in the long term.
- **To ensure that development for the purpose of extractive industries, underground mines (other than surface works associated with underground mines) or open cut mines (other than open cut mines from the surface of the flood plain), will not:**
 - (a) destroy or impair the agricultural production potential of the land or, in the case of underground mining, unreasonably restrict or otherwise affect any other development on the surface, or**
 - (b) detrimentally affect in any way the quantity, flow and quality of water in either subterranean or surface water systems, or**
 - (c) visually intrude into its surroundings, except by way of suitable screening.**
- To protect or conserve (or both):
 - (a) soil stability by controlling development in accordance with land capability, and
 - (b) trees and other vegetation, and
 - (c) water resources, water quality and wetland areas, and their catchments and buffer areas, and
 - (d) valuable deposits of minerals and extractive materials by restricting development that would compromise the efficient extraction of those deposits.

The above clearly states that any extractive industries WILL NOT destroy agricultural production, effect water or have a visual impact. CSG mining will do all of the above.

e) Operation of our business

We have a staff of approximately 50 that are employed and live on the property at Widden Stud. We have invested substantial amounts in fencing and buildings so we can effectively run a large commercial Thoroughbred and Cattle Breeding operation. If roads were to be allowed to be built for gas companies to gain access to sites through our paddocks this would inhibit how we farm paddocks, move stock, irrigate crops and organise our business. It is not feasible for us to conduct our business with these impairments.

f) Aboriginal significance in the Widden Valley

Long before the white man came, the black tribesman had given it a name that none would change – “Widden”, meaning “Stay here, go no further”. It was here that the Thompsons came 140 years ago and here is where they have stayed.

An aboriginal cave is located in the Widden Valley with artwork depicting hunters and collectors and is marked on the National Parks and Wildlife service maps and information as a tourist site.

Antony Thompson
Director

5 September 2011

Katie Thompson
Director

5 September 2011